Office of Special Needs Assistance Programs, Washington, DC

Continuum of Care Program

To: Jemine Bryon
            Deputy Assistant Secretary, Office of Special Needs, DN

            //SIGNED//
From: Tanya E. Schulze
            Regional Inspector General for Audit, Los Angeles Region, 9DGA

Subject: The Office of Special Needs Assistance Programs' Award Review Process
            Generally Complied With HUD Continuum of Care Program Requirements

Attached is the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General's (OIG) final results of our review of HUD's Continuum of Care Program award review process.

HUD Handbook 2000.06, REV-4, sets specific timeframes for management decisions on recommended corrective actions. For each recommendation without a management decision, please respond and provide status reports in accordance with the HUD Handbook. Please furnish us copies of any correspondence or directives issued because of the audit.

The Inspector General Act, Title 5 United States Code, appendix 8M, requires that OIG post its reports on the OIG website. Accordingly, this report will be posted at https://www.hudoig.gov.

If you have any questions or comments about this report, please do not hesitate to call me at 213-534-2471.

Highlights

What We Audited and Why

We reviewed the U.S. Department of Housing and Urban Development's (HUD) Continuum of Care Program (CoC) award review process based on an anonymous hotline complaint alleging problems with the CoC competitive award process. The complaint stated that CoC projects were submitted through the Office of Special Needs Assistance Programs (SNAPS) grants management system, *e-snaps*, but were ranked, reviewed, and adjusted in a manner inconsistent with HUD notice of funding availability (NOFA) requirements. Because the allegations were narrow in focus, we broadened our review to cover the scoring and review process in general. The objective of our review was to determine whether HUD performed its CoC competitive review and award process in accordance with NOFA program requirements, focusing on ranking and scoring CoC projects.

What We Found

SNAPS generally reviewed CoC and project applications in compliance with HUD requirements. Further, the complaint allegations either did not appear to affect the overall review process, were inaccurate, or could not be substantiated based on our testing.

What We Recommend

This report contains no recommendations.

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Background and Objective

The U.S. Department of Housing and Urban Development's (HUD) Office of Special Needs Assistance Programs (SNAPS) supports the nationwide commitment to ending homelessness by providing funding opportunities to nonprofit organizations and State and local governments to quickly rehouse homeless individuals and families. Through these opportunities, SNAPS advocates self-sufficiency and promotes the effective use of mainstream resources available to individuals and families experiencing homelessness. HUD uses *e-snaps*, an electronic grants management system that supports the application and award process for the Continuum of Care Program (CoC). The program awards funding annually based on a competitive process. Grant awards are made to recipient organizations that operate housing and services for persons experiencing homelessness and to recipient organizations that represent a CoC and conduct planning or a unified funding agency (UFA).[1]

SNAPS issues a notice of funding availability (NOFA), which details the requirements that applicants must meet when applying for CoC funding. The NOFA is based on HUD CoC program requirements included in 24 CFR (Code of Federal Regulations) part 578. (See appendix B.) SNAPS awarded the following funding amounts during the 2017 and 2018 award competitions.

Project type	2017	2018
New	$ 122,966,618	$ 142,879,039
Planning	54,895,233	57,755,869
Renewal	1,854,100,413	1,955,847,440
UFA	1,032,382	1,538,618
Transitional[2]	0	8,643,006
Total	**2,032,994,646**	**2,166,663,972**

As part of the review and award process, HUD rejected projects because they did not meet threshold criteria or were not eligible for renewal, scored too low to receive funding or applied under appeal outside the CoC. In addition, the 2018 NOFA allowed applicants to submit multiple eligible renewal projects as a consolidation but required them to be submitted individually as well. If HUD approved the consolidation, then HUD awarded the grant and rejected the corresponding individual projects that applied under the consolidation. If HUD

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[1] A UFA is an eligible applicant selected by CoC to apply for a grant for the entire continuum, which has the capacity to carry out the duties in 24 CFR 578.11(b), which is approved by HUD, and to which HUD awards a grant.

[2] Transitional housing means housing, for which all program participants have signed a lease or occupancy agreement, the purpose of which is to facilitate the movement of homeless individuals and families into permanent housing within 24 months or such longer period as HUD determines necessary.

rejected the consolidation, then it individually reviewed and approved each project that applied under the consolidation.

The NOFAs for fiscal years 2017 and 2018 include requirements that CoCs must meet to have their projects considered to receive funding. CoCs rank project applications, but HUD will calculate which projects fall into two tiers (Tier 1 and Tier 2). The purpose of this approach is for CoCs to indicate to HUD which projects should be prioritized for funding. CoCs then submit their consolidated applications to HUD for review. HUD further refines the ranking process based on the results of eligibility and threshold reviews as well as the scoring of CoC applications.

For CoC applications, the NOFA includes seven specific areas that must be evaluated and details the maximum number of points available in each area reviewed. The CoC application scoring is a combination of worded scores,[3] which are determined by SNAPS individual and team score forms, and automated scores. The worded scores and automated scores have corresponding point values identified in the CoC Scoring Matrix. The point values are tied to the NOFA.

For project applications, the NOFA specifies minimum threshold requirements, including project eligibility, project quality, and project renewal thresholds, which must be met to be considered for award funding. New and renewal project applications also receive point values based on their CoC Score, CoC project ranking, and Commitment to Housing First.[4]

SNAPS also uses project quality assessment reports (PQAR) to facilitate the project application review process. The PQAR includes project application information that is summarized and reorganized in a way to assist reviewers. PQARs are a tool used by desk officers during the review process but are not part of project application information documented in *e-snaps*.

The complaint alleged that staff was required to (1) review CoC projects that were submitted through *e-snaps* but not ranked on CoC priority listings as required by the NOFA, (2) review summary assessment reports rather than actual project applications, and (3) inappropriately reduce fair market rents to actual rents for some projects. The complaint also alleged that (1) budget detail forms for operating and supportive services costs were removed from renewal projects, preventing SNAPS staff from assessing these costs; (2) applications were adjusted after the review process was complete; and (3) HUD field offices were given information that they should not have been able to access, having a negative impact on the application review process.

Our audit objective was to determine whether HUD evaluated applications for CoC and project funding according to the requirements stated in its 2017 and 2018 CoC competition NOFAs.

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[3] During the review process, individuals and teams assign worded scores, such as "fully," "somewhat," or "none," to indicate how completely an applicant responded to a particular question.

[4] Housing First prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions.

Results of Audit

Finding 1: The Office of Special Needs Assistance Programs' Award Review Process Generally Complied With HUD Continuum of Care Program Requirements

SNAPS generally performed its reviews of CoC applications and project applications in accordance with the guidance in its 2017 and 2018 CoC competition NOFAs. In addition, SNAPS generally documented the decision results for unsuccessful applicants in *e-snaps*. We attempted to determine whether the complaint allegations had merit but found that they either did not appear to have a material impact on the review process, were incorrect, or could not be substantiated.

CoC Applications Were Generally Scored in Accordance With HUD NOFA Requirements

Our scoring of eight sample CoC applications generally agreed with the final scores determined by SNAPS. SNAPS used a scoring matrix worksheet that was comprised of team panel reviews and automated scoring to calculate the CoC application scores. SNAPS team panel reviewers assigned worded scores to responses from CoC applicants, which are then converted to points as part of the rating process. We were generally able to use the worded scores to confirm the appropriate number of points were assigned to the scoring matrix worksheet questions. We were also able to obtain documentation from SNAPS to support automated CoC application scores. As a result, the application scoring was generally acceptable, supported, and in compliance with NOFA requirements.

Project Application Reviews Generally Met NOFA Requirements

SNAPS reviews of new, planning, and renewal projects in *e-snaps* complied with HUD NOFA requirements. Our review focused primarily on whether HUD-established thresholds were met, as these areas appeared to be more relevant to the complaint and to the overall SNAPS review process. The 2017 and 2018 CoC competition NOFAs describe several eligibility thresholds, including project eligibility, project quality, and project renewal thresholds. (See appendix B.) Applicants must pass project eligibility and renewal thresholds on a pass-fail basis. Project quality thresholds are evaluated based on point values, which are awarded according to how well each project meets the specific NOFA requirement. If the project applicant does not satisfy these thresholds, the project will be rejected and will not be approved for award funding. We reviewed a sample of 10 new, planning, and renewal projects and determined that SNAPS reviews of these projects met the requirements detailed in the NOFA.

Decisions Not To Fund Projects Were Documented

The reasons for not funding a sample of five projects were documented in *e-snaps* or were supported by other documentation provided by SNAPS. Documentation for two projects that did not meet established threshold requirements included the desk officer's rejection recommendation as well as final management approval of the action. Three projects were documented in *e-snaps* as not having received an award. Based on our review, these projects

met threshold requirements but did not score high enough in the overall CoC competition to receive funding.

Complaint Allegations Appeared To Be Immaterial, Incorrect, or Unsubstantiated

We attempted to determine whether the six complaint allegations had merit; however, they appeared to be either immaterial or incorrect, or there was insufficient information to substantiate the issues in question.

- The first allegation stated that project applications submitted in *e-snaps* were not also ranked on CoC priority listings as required by the 2017 and 2018 NOFAs. However, we verified that nine project applications were submitted in *e-snaps* and were also ranked on the corresponding CoC priority listings.

- The second allegation stated that staff was instructed to review PQARs instead of actual project applications. We found no evidence that staff were required to use PQARs in place of project applications during reviews, and both were available as needed. All information documented in *e-snaps* consisted of the project application, SNAPS, and HUD field office reviews. SNAPS management and staff confirmed that PQARs were a part of the project application review process, which reduced review time by summarizing certain project data. In addition, SNAPS policies and procedures included specific guidelines and instructions on the appropriate use of the PQARs during the application review process.

- The third allegation stated that fair market rents (FMR) were inappropriately reduced to actual rents for some projects. However, during interviews and our reviews of our sample of projects in *e-snaps*, we determined that FMRs were automatically uploaded into *e-snaps*. We found no instances in which FMRs were inappropriately adjusted to actual rents.

- The fourth allegation stated that budget detail forms for operating and supportive services costs were removed from *e-snaps* for the 2017 competition. We were able to confirm that this was the case. The *e-snaps* instructional guides for those years stated that budget detail screens for operating and supportive services costs for renewal projects would be removed. (See appendix B.) However, it did not appear that the action was inappropriate or significantly impacted the review and selection process. The guides stated that summary screens for the operating and supportive services costs would remain available in *e-snaps* and that HUD would consider the grantee's previous approved budgets and results of HUD monitoring.

- The fifth allegation stated that applications were adjusted after reviews were completed. However, we could not find indications of adjustments to project applications after the review process was completed. Each stage of the submission and review process was separately tracked in *e-snaps*. The system specifically identified the individual involved in the process from application submission to issuance of the final grant agreement. We

found no instances in which applications were adjusted by SNAPS management or staff after the fact.

- The sixth allegation, that HUD field offices were inappropriately given access to information that they should not have been able to access, was also not confirmed. We determined, through interviews, a review of SNAPS policies and procedures, and a review of project applications in *e-snaps,* that HUD field offices were routinely involved in the project application review process. SNAPS consulted the field offices to obtain information on applicants' capacity and to determine whether there were performance issues before awarding grant funding. In addition to desk officer reviews, field offices reviewed the applications to determine whether there was missing documentation or other problems that would result in issues and conditions being recorded in *e-snaps* and to ensure that problems would be addressed before awarding conditional funding. The complaint did not specify the conditions under which field office involvement would have been inappropriate and what information the field should not have been able to access. Due to the lack of clarification, we determined that this allegation could not be substantiated.

Conclusion

SNAPS generally conducted its reviews of CoC applications and project applications in accordance with stated NOFA requirements. The six complaint allegations either did not appear to affect the overall review process, appeared inaccurate, or could not be confirmed.

Recommendations

This report contains no recommendations.

Scope and Methodology

We performed our audit fieldwork from April to November 2019 at our office in Los Angeles, CA. Our audit period generally covered the CoC review period October 2017 through December 2018.

To accomplish our objective, we performed the following:

- Reviewed relevant HUD policies and procedures, including the Code of Federal Regulations.

- Reviewed NOFAs for award years 2017 and 2018.

- Gathered and reviewed applicable background on *e-snaps*, a grant management system that supports the CoC application and award process, and HUD internal policies and procedures.

- Reviewed CoC applicants (successful and unsuccessful) to determine whether selections and nonselections for funding were reasonable and compliant with applicable regulations.

- Interviewed HUD SNAPS management and staff.

The audit universe of projects that were awarded funding during the 2017 and 2018 competitions consisted of 14,194 projects that were submitted by 396 CoCs totaling more than $4.2 billion. Initially, we selected a nonstatistical sample of 30 new, renewal, and planning projects submitted by 24 CoCs totaling more than $25 million from the 2018 NOFA CoC competition. We selected these project types because they were discussed most frequently in the complaint. Due to the volume of documents involved and the additional time needed to complete our analyses, we reduced our sample to 16 projects (10 CoCs) totaling more than $20 million.

Subsequently, we reviewed 10 new, renewal, and planning projects (8 CoCs) from our initial sample of 30 projects. These project types were directly referenced in the complaint, totaled more than $5 million, and were awarded during the 2017 NOFA CoC competition.

In addition, the audit universe of projects that were not awarded funding during the 2017 and 2018 competitions consisted of 2,519 proposed projects submitted by 374 CoCs totaling $589 million.[5] We selected and reviewed a nonstatistical sample of five of these projects totaling more than $628,000. Our selections were comprised of projects that were rejected because they did not meet threshold criteria and projects that were ranked but scored too low to receive

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[5] The applications that HUD reviewed and rejected totaled $116.2 million for 2017 and $472.4 million for 2018. The rejected applications increased substantially in 2018 primarily because multiple eligible renewal projects could be submitted as a consolidation but had to be submitted individually as well. If the project was approved under one method it was rejected under the other. (See Background and Objective section.)

funding. We selected these projects because they appeared to be more directly related to the complaint allegations.

During our review of CoC applications, we were unable to obtain all SNAPS reviewer score forms and automated data. However, the information received was sufficient to allow us to reconstruct the final CoC application scores arrived at by SNAPS. Therefore, we did not need the documentation to draw overall conclusions.

We originally planned to review 10 CoC Priority Listings. However, we received the initial 9 listings and we were satisfied there were no issues. Therefore, we removed the 10th project from consideration and based our results on the priority listings for 9 projects.

We relied in part on computer-processed data from SNAPS, including project listings, PQARs, and the *e-snaps* grants management system. We used the data to review the individual awarded and unawarded projects. We assessed the data to be sufficiently reliable to meet our audit objective.

We selected all projects for review using Excel Data Analysis. Due to the limitations of the sampling method that was used, we did not project our results to the awarded and unawarded audit universes.

We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Internal Controls

Internal control is a process adopted by those charged with governance and management, designed to provide reasonable assurance about the achievement of the organization's mission, goals, and objectives with regard to

- effectiveness and efficiency of operations,
- reliability of financial reporting, and
- compliance with applicable laws and regulations.

Internal controls comprise the plans, policies, methods, and procedures used to meet the organization's mission, goals, and objectives. Internal controls include the processes and procedures for planning, organizing, directing, and controlling program operations as well as the systems for measuring, reporting, and monitoring program performance.

Relevant Internal Controls
We determined that the following internal controls were relevant to our audit objective:

- Effectiveness and efficiency of program operations – Implementation of policies and procedures to ensure that program funds were awarded to eligible and qualified applicants for CoC award funding.

- Compliance with applicable laws and regulations – Implementation of policies and procedures to ensure that reviews of CoC and project applications complied with applicable HUD rules and requirements.

We assessed the relevant controls identified above.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, the reasonable opportunity to prevent, detect, or correct (1) impairments to effectiveness or efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations on a timely basis.

We evaluated the internal controls related to our audit objective in accordance with generally accepted government auditing standards. Our evaluation of internal controls was not designed to provide assurance regarding the effectiveness of the internal control structure as a whole. Accordingly, we do not express an opinion on the effectiveness of HUD's internal control.

Appendixes

Appendix A

Auditee Comments

HUD concurred with our report and declined to provide a written response.

Appendix B

<p style="text-align:center">**Criteria**</p>

24 CFR 578.19, Application process.

(a) *Notice of Funding Availability.* After enactment of the annual appropriations act for the fiscal year, HUD will issue a NOFA in accordance with the requirements of 24 CFR part 4.

Notice of Funding Availability (NOFA) for the Fiscal Year (FY) 2017 Continuum of Care Program Competition

V. Eligibility Information

G. Other Project Eligibility Requirements.

   1. Statutory and Regulatory Requirements. To be eligible for funding under this NOFA, project applicants must meet all statutory and regulatory requirements in the Act and 24 CFR part 578.

   2. Threshold Requirements:

   a. Ineligible Applicants. HUD will not consider a project application from an ineligible project applicant, including an application submitted for CoC planning funds or UFA Costs from a project applicant other than the Collaborative Applicant.

   b. Project Eligibility Threshold. HUD will review all projects to determine if they meet the following eligibility threshold requirements on a pass/fail standard. If HUD determines that the applicable standards are not met for a project, the project will be rejected. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received (e.g., monitoring findings, results from investigations by HUD's Office of Inspector General, the recipient routinely does not draw down funds from eLOCCS [Line of Credit Control System, internet version] at least once per quarter, consistently late Annual Performance Report (APR) submissions).

      (1) Project applicants and potential subrecipients must meet the eligibility requirements of the CoC Program as described in 24 CFR part 578 and provide evidence of eligibility required in the application (e.g., nonprofit documentation).

      (2) Project applicants and subrecipients must demonstrate the financial and management capacity and experience to carry out the project as detailed in the project application and the capacity to administer federal funds. Demonstrating capacity may include a description of the applicant/subrecipient experience with similar projects

and with successful administration of SHP [supportive housing program], S+C [shelter plus care program], or CoC Program funds or other federal funds.

(3) Project applicants must submit the required certifications as specified in this NOFA.

c. Project Quality Threshold. HUD will review all new project applications to determine if they meet the following project quality threshold requirements with clear and convincing evidence. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received (e.g., monitoring findings, results from investigations by HUD's Office of Inspector General, the recipient routinely does not draw down funds from eLOCCS at least once per quarter, consistently late APR submissions) and if the renewal project has compliance issues which results in the project not operating in accordance with 24 CFR part 578. These projects are required to meet the requirements outlined in this section of this NOFA. The housing and services proposed must be appropriate to the needs of the program participants and the community. A determination that a project meets the project quality threshold is not a determination by HUD that a recipient is compliant with applicable fair housing and civil rights requirements.

d. *Project Renewal Threshold.* A CoC must consider the need to continue funding for projects expiring in CY [calendar year] 2018. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in this NOFA or they will be rejected from consideration for funding.

(1) When considering renewal projects for award; HUD will review information in *e*LOCCS, APRs, and information provided from the local HUD CPD [Office of Community Planning and Development] field Office; including monitoring reports and audit reports as applicable, and performance standards on prior grants, and will assess projects using the following criteria on a pass/fail basis:

(a) Whether the project applicant's performance met the plans and goals established in the initial application, as amended;
(b) Whether the project applicant demonstrated all timeliness standards for grants being renewed, including those standards for the expenditure of grant funds that have been met;
(c) The project applicant's performance in assisting program participants to achieve and maintain independent living and records of success, except dedicated HMIS [homeless management information system] projects that are not required to meet this standard;
and
(d) Whether there is evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices,

has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site.

(2) HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:

(a) outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
(b) audit finding(s) for which a response is overdue or unsatisfactory;
(c) history of inadequate financial management accounting practices;
(d) evidence of untimely expenditures on prior award;
(e) history of other major capacity issues that have significantly affected the operation of the project and its performance;
(f) history of not reimbursing subrecipients for eligible costs in a timely manner, or at least quarterly; and
(g) history of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

VII. Application Review Information

A. **Criteria.** CoC Consolidated Applications will be assessed on a 200-point scale.

1. **CoC Coordination and Engagement.** HUD will award up to 43 points to CoCs that demonstrate coordination with other systems of care that serve homeless individuals and families.

2. **Project Ranking, Review, and Capacity.** HUD will award up to 29 points to CoCs that demonstrate the existence of a coordinated, inclusive, and outcome-oriented community process for the solicitation, objective review, ranking, and selection of project applications, and a process by which renewal projects are reviewed for performance and compliance with 24 CFR part 578.

3. **Homeless Management Information System.** HUD will award up to 13 points to CoCs that demonstrate the existence of a functioning HMIS that facilitates the collection of information on homelessness using residential and other homeless services and stores that data in an electronic format.

4. **Point-in-Time Count.** HUD will award up to 6 points to CoCs related to the collection, use, and submission of data from the 2017 PIT count.

5. **System Performance.** HUD will award up to 49 points for CoC system-wide performance related to reducing homelessness within the CoC's defined geographic area as reported to HUD via HDX [homelessness data exchange]by comparing FY 2016 information to FY 2015 information unless noted otherwise for each measure.

6. Performance and Strategic Planning. HUD will award up to 60 points based on the CoC's plan for and progress towards reducing homelessness within its geographic area.

7. CoC Merger Bonus Points. As stated in Section II.B.5 of this NOFA, HUD will award up to a possible 25 bonus points to CoCs that merged in the period between the final funding announcement for FY 2016 and the FY 2017 CoC Program Registration deadline.

Notice of Funding Availability (NOFA) for the Fiscal Year (FY) 2018 Continuum of Care Program Competition

V. Eligibility Information

C. Rules that affect how HUD evaluates applications

1. **Past Performance**

In evaluating applications for funding, HUD will consider an applicant's past performance in managing funds. Items HUD may consider include, but are not limited to:

a. The ability to account for funds appropriately;
b. Timely use of funds received from HUD;
c. Timely submission and quality of reports submitted to HUD;
d. Meeting program requirements;
e. Meeting performance targets as established in the grant agreement;
f. The applicant's organizational capacity, including staffing structures and capabilities;
g. Time-lines for completion of activities and receipt of promised matching or leveraged funds; and
h. The number of persons to be served or targeted for assistance.

2. Statutory and Regulatory Requirements. To be eligible for funding under this NOFA, project applicants must meet all statutory and regulatory requirements in the Act and 24 CFR part 578.

3. Threshold Requirements.

a. Ineligible Applicants. HUD will not consider a project application from an ineligible project applicant, including an application submitted for CoC planning funds or UFA Costs from a project applicant other than the Collaborative Applicant.

b. Project Eligibility Threshold. HUD will review all projects to determine if they meet the following eligibility threshold requirements on a pass/fail standard. If HUD determines that the applicable standards are not met for a project, the project will be

rejected. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received (e.g., monitoring findings, results from investigations by HUD's Office of Inspector General, the recipient routinely does not draw down funds from eLOCCS at least once per quarter, consistently late Annual Performance Report (APR) submissions). Approval of new and renewal projects is not a determination by HUD that a recipient is compliant with applicable fair housing and civil rights requirements.

(1) Project applicants and potential subrecipients must meet the eligibility requirements of the CoC Program as described in 24 CFR part 578 and provide evidence of eligibility required in the application (e.g., nonprofit documentation).

(2) Project applicants and subrecipients must demonstrate the financial and management capacity and experience to carry out the project as detailed in the project application and the capacity to administer federal funds. Demonstrating capacity may include a description of the applicant/subrecipient experience with similar projects and with successful administration of SHP, S+C, or CoC Program funds or other federal funds.

(3) Project applicants must submit the required certifications as specified in this NOFA.

c. *Project Quality Threshold.* HUD will review all new project applications to determine if they meet the following project quality threshold requirements. Any project requesting renewal funding will be considered as having met these requirements through its previously approved grant application unless information to the contrary is received (e.g., monitoring findings, results from investigations by HUD's Office of Inspector General, the recipient routinely does not draw down funds from *e*LOCCS at least once per quarter, consistently late APR submissions) and if the renewal project has compliance issues which results in the project not operating in accordance with 24 CFR part 578. If awarded, a recipient is required to meet all the criteria listed in the criteria column for its component. Additionally, the housing and services proposed must be appropriate to the needs of the program participants and the community. A determination that a project meets the project quality threshold is not a determination by HUD that a recipient is compliant with applicable fair housing and civil rights requirements.

d. *Project Renewal Threshold.* A CoC must consider the need to continue funding for projects expiring in CY 2019. Renewal projects must meet minimum project eligibility, capacity, timeliness, and performance standards identified in this NOFA or they will be rejected from consideration for funding:

(1) When considering renewal projects for award; HUD will review information in *e*LOCCS, APRs, and information provided from the local HUD CPD field

office; including monitoring reports and audit reports as applicable, and performance standards on prior grants, and will assess projects using the following criteria on a pass/fail basis:

(a) Whether the project applicant's performance met the plans and goals established in the initial application, as amended;

(b) Whether the project applicant demonstrated all timeliness standards for grants being renewed, including those standards for the expenditure of grant funds that have been met;

(c) The project applicant's performance in assisting program participants to achieve and maintain independent living and records of success, except dedicated HMIS projects that are not required to meet this standard; and

(d) Whether there is evidence that a project applicant has been unwilling to accept technical assistance, has a history of inadequate financial accounting practices, has indications of project mismanagement, has a drastic reduction in the population served, has made program changes without prior HUD approval, or has lost a project site.

(2) HUD reserves the right to reduce or reject a funding request from the project applicant for the following reasons:

(a) outstanding obligation to HUD that is in arrears or for which a payment schedule has not been agreed upon;
(b) audit finding(s) for which a response is overdue or unsatisfactory;
(c) history of inadequate financial management accounting practices;
(d) evidence of untimely expenditures on prior award;
(e) history of other major capacity issues that have significantly affected the operation of the project and its performance;
(f) history of not reimbursing subrecipients for eligible costs in a timely manner, or at least quarterly; and
(g) history of serving ineligible program participants, expending funds on ineligible costs, or failing to expend funds within statutorily established timeframes.

VII. Application Review Information

A. Criteria

CoC Consolidated Applications will be assessed on a 200-point scale.

B. CoC Application Scoring.

1. **CoC Coordination and Engagement.** HUD will award up to 48 points to CoCs that

demonstrate coordination with other systems of care that serve homeless individuals and families, including sources of funding other than the CoC Program; an inclusive and outcome-oriented community process, including an organization structure(s) and decision making process for developing and implementing a CoC strategy that is inclusive of representatives from both the private and public sectors, has a fair and impartial project review and selection process; and has created, maintained, and built upon a communitywide inventory of housing for homeless individuals and families.

2. Project Capacity, Review and Ranking. HUD will award up to 29 points to CoCs that demonstrate the existence of a coordinated, inclusive, and outcome-oriented community process for the solicitation, objective review, ranking, and selection of project applications, and a process by which renewal projects are reviewed for performance and compliance with 24 CFR part 578.

3. Homeless Management Information System. HUD will award up to 13 points to CoCs that demonstrate the existence of a functioning HMIS that facilitates the collection of information on homelessness using residential and other homeless services and stores that data in an electronic format.

4. Point-in-Time Count. HUD will award up to 6 points to CoCs that collect, use, and submit data from the 2018 PIT [point-in-time] count.

5. System Performance. HUD will award up to 56 points to CoCs that have a CoC system-wide performance related to reducing homelessness.

6. Performance and Strategic Planning. HUD will award up to 48 points based on the CoCs plan for and progress towards reducing homelessness in its geographic area.

7. CoC Merger Bonus Points. HUD will award up to a possible 25 bonus points to CoCs that merged in the period between the FY 2016 and FY 2018 CoC Program Registration deadlines.

FY 2017 Project Application, Part 6, Budgets, *e-snaps Instructional Guide*, Version 1

Highlights in *e-snaps* for the FY 2017 CoC Program Competition

Removal of Budget Detail Screens for Renewal Project Applications. New in FY 2017, project applicants submitting a Renewal Project Application will not be required to submit detailed information for the leased structures, supportive services, operating, or HMIS budgets. There are no separate screens for these budgets. The requested funding amount for each of these budget activities is located on the Summary Budget screen.

FY 2018 Renewal Project Application, *e-snaps Navigational Guide***, Version 2**

Highlights in *e-snaps* **for the FY 2018 CoC Program Competition**

Removal of Budget Detail Screens for Renewal Project Applications. As with last year, Project Applicants submitting a Renewal Project Application will not be required to submit detailed information for the leased structures, supportive services, operating, or HMIS budgets. There are no separate screens for these budgets. The requested funding amount for each of these budget activities is located on the Summary Budget screen.